

REMARKS

Reconsideration and allowance of the subject application are respectfully requested.

Claims 7-11 and 23-26 are pending. No new matter has been added by this amendment.

Claims 7-11 and 23-26 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Baker (U.S. Patent No. 6,336,103)(“Baker”) in view of Kolb, “Options.” Additionally, claims 7-11 and 23 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Admitted Prior Art (“APA”) in view of Official Notice as outlined in an office action mailed June 9, 2008. Applicant traverses the rejections and asserts that all the claims are patentably distinct over the cited references.

Summary of Examiner Interview Held on May 12th, 2010

Applicant’s representative presented the arguments below. Agreement was reached that all claims are allowable over the cited references. Applicant’s representative and Examiner briefly discussed the pending Final Office Action in a related case 12/078,395.

All Claims are Patently Distinct Over Baker

Claims 7-11 and 23-26 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Baker in view of Kolb. Applicant traverses the rejection. Baker does not disclose or render obvious the following first portion of claim 7: “operating the computer to identify financial futures corresponding to the sector.” The portion of Baker cited by the Office refers to “[t]he method only requires optimizing correlation of the time behavior performance of future asset return relative to the particular standard index” Baker, c. 5, ll. 3-7. So, Baker is concerned with assessing a future asset return relative to a particular standard index. Baker has no disclosure of a “financial future” corresponding to the sector. In fact, the term “financial future” is not even used in the 215 page patent of Baker. Moreover, Baker uses the term “future” only to indicate a tense, but never to indicate the term “future” in the meaning used in claim 7 of a publicly traded derivative contract. So, Baker cannot disclose the recited steps of claim 7.

Additionally, since Baker does not disclose “financial future,” Baker cannot disclose or render obvious, a second portion of claim 7, “operating the computer to calculate an expected range of future returns for the sector based on prices of options for the futures.”

Moreover, the Office references Kolb at pages 122-126 for disclosing the following portion of claim 7: “operating the computer to calculate an expected annual return for the fund based on the expected annualized return for the corresponding sector, the expected range of returns for the corresponding sector, and at least one adjustment factor specific to the fund.” However, the cited portion of Kolb is generally focused on computing a price for an option for an underlying security. And more specifically to how to compute option prices using Black-Scholes. A Black-Scholes option price is not “an expected annual return for the fund based on the expected annualized return for the corresponding sector, the expected range of returns for the corresponding sector, and at least one adjustment factor specific to the fund.”

Accordingly, Applicant respectfully submits that neither Baker nor Kolb teach or render obvious the elements recited in claim 7. Hence, independent claim 7, and dependent claims 8-11 and 23-26, should be allowable.

Applicant has disclosed a specific method of “predicting expected returns of a fund” which has advantages over the prior art. None of the cited references teach or render obvious this method.

Applicant requests that if the Office maintains this rejection that the Office specifically disclose what the Office alleges is each and every element of claim 7. For example, what is the corresponding “adjustment factor specific to the fund” in Kolb? What is the “expected annual return for the fund” in Kolb? See MPEP 706.

All Claims are Patently Distinct Over the APA and Office Notice

Claims 7-11 and 23 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over APA in view of Official Notice as outlined in an office action mailed June 9, 2008. Applicant traverses the rejections.

Consider a portion of claim 7, which recites in relevant part:

operating the computer to calculate an expected range of future returns for the sector based on prices of options for the futures, and

operating the computer to calculate an expected annual return for the fund based on the expected annualized return for the corresponding sector, the expected range of returns for the corresponding sector, and at least one adjustment factor specific to the fund

This portion of claim 7 is not disclosed or rendered obvious by the APA and Official Notice.

First, this is a method of predicting expected returns of a fund. The Office has made no specific rejection where the Applicant has an opportunity to refute an element by element comparison of the APA with the elements recited in claim 7. Additionally, there is no disclosure that would predict the expected return of a fund based on “an expected range of future returns for the sector based on prices of options for the future” (where the future has been identified with a selected sector of the fund.) Moreover, there is no disclosure or suggestion for calculating “an expected annual return for the fund based on the expected annualized return for the corresponding sector, the expected range of returns for the corresponding sector, and at least one adjustment factor specific to the fund.” The Office states on page 3 of the last office action that “capital appreciation” connotes the claimed “adjustment factor,” but capital appreciation is referring to the underlying security and not “at least one adjustment factor *specific* to the fund.” Capital appreciation of a security is not an “adjustment factor specific to the fund.” See [0021] of the as filed specification. Additionally, new claim 24 includes the elements, “the at least one adjustment factor specific to the fund is a negative variability which is a percentage factor equal to an extent to which returns for the fund are below a median return for a period of time.”

Applicant has disclosed a specific method of “predicting expected returns of a fund” which has advantages over the prior art. None of the cited references teach or render obvious this method.

Accordingly, Applicant respectfully submits that one skilled in the art would not have found it obvious or possible to have achieved the embodiment of the present invention even as recited in independent claim 7 based on the “admitted prior art” and Official Notice. Moreover, Applicant submits that nowhere does the “admitted prior art” disclose the specific features recited in new dependent claims 24-26, nor would it be appropriate to take “Official Notice” for these specific features. Hence, independent claim 7, and dependent claims 8-11 and 23-26, should be allowable.

Applicant requests that if the rejection of the claims is maintained that an element by element rejection is sent to the Applicant. For example, claim 26 is rejected based on no cited portion of a reference. Claim 24 is rejected without an element by element matching with Baker and only a general reference to Baker. Applicant requests that the Office specify what the Office alleges is a future in Baker, what is a option of a future in Baker, what is a fund in Baker, what is a sector of a fund in Baker, and what is an adjustment factor specific to a fund in Baker. Applicant requests that the Office provide the same level of specificity in the rejection based on APA and Official Notice. See MPEP 706.

CONCLUSION

In view of the foregoing discussion, Applicant respectfully requests the entry of the amendments to place the application in clear condition for allowance or, in the alternative, in better form for appeal. Should the Examiner feel that there are any issues outstanding after consideration of this response, the Examiner is invited to contact Applicant's undersigned representative to expedite prosecution. A favorable action is awaited.


EXCEPT for issue fees payable under 37 C.F.R. § 1.18, the Commissioner is hereby authorized by this paper to charge any additional fees during the entire pendency of this application including fees due under 37 C.F.R. § 1.16 and 1.17 which may be required, including any required extension of time fees, or credit any overpayment to Deposit Account No. 50-0573. This paragraph is intended to be a **CONSTRUCTIVE PETITION FOR EXTENSION OF TIME** in accordance with 37 C.F.R. § 1.136(a)(3).

Respectfully submitted,

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